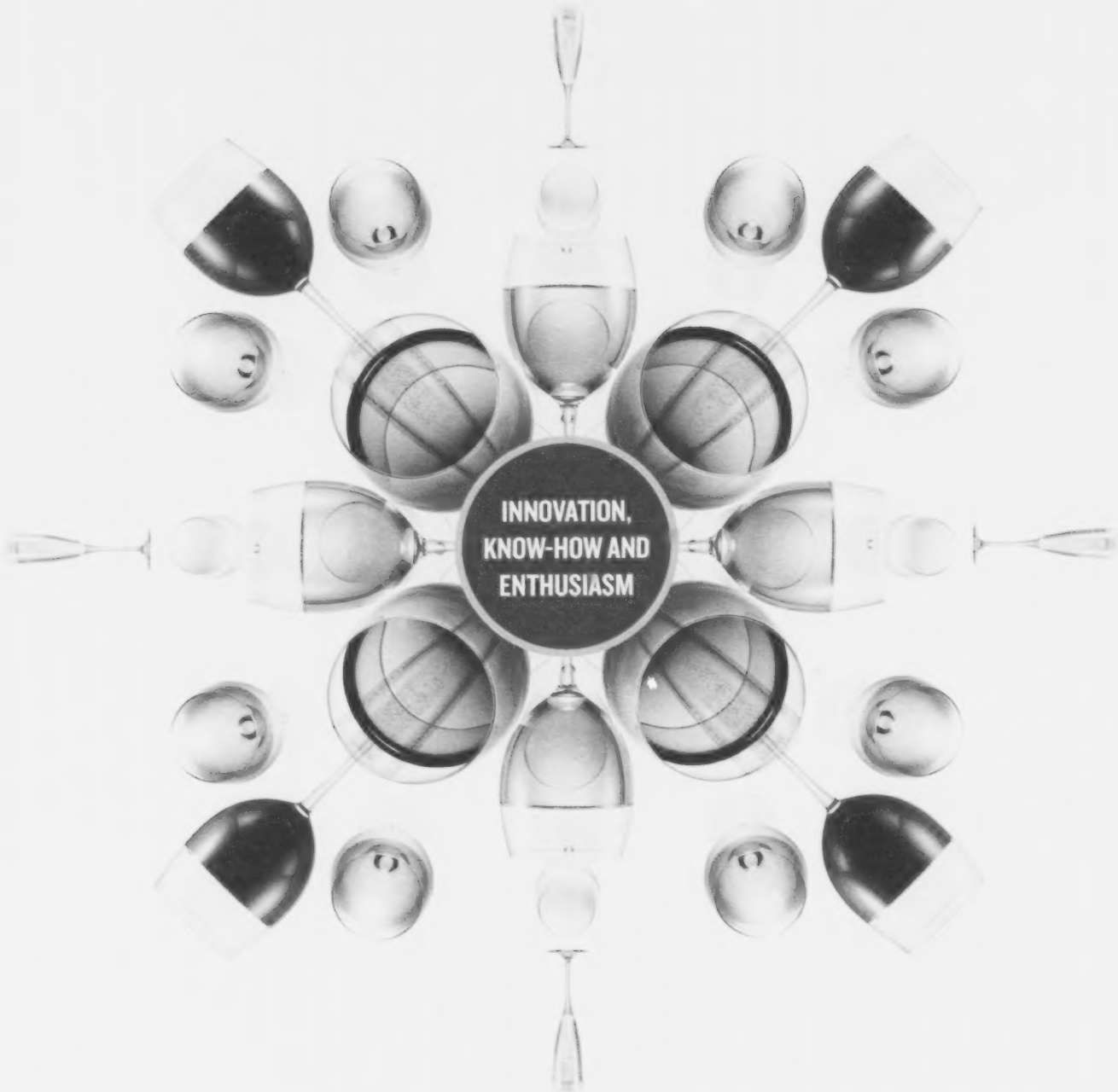
SAQ



2010-2012 STRATEGIC PLAN

June 2009

INNOVATION

"AT THE SAQ, INNOVATION IS A FUNCTION OF TRULY UNDERSTANDING NEEDS. WE STUDY NEW TRENDS AND STIMULATE CREATIVITY. THAT IS HOW WE HAVE BECOME THE BENCHMARK IN MANY FIELDS."

KNOW-HOW

"THE SAQ HAS NEVER HESITATED TO INVEST IN TRAINING TO DEVELOP EMPLOYEES' TALENTS AND SKILLS. THIS TASK IS ONGOING. WE ARE COUNTING ON THE KNOW-HOW OF OUR EMPLOYEES TO CONTINUE FORGING THE SAQ OF TOMORROW."

ENTHUSIASM

"THE NATURE OF THE PRODUCTS IT SELLS ENSURES THAT THE SAQ IS PART OF THE JOYFUL MOMENTS THAT MARK QUEBECERS' LIVES. THIS ENORMOUS PRIVILEGE SPARKS IN US A RARE TASTE FOR EXCEEDING EXPECTATIONS."

1 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
2 THE SAQ
3 CONTEXT AND CHALLENGES
8 STRATEGIC ORIENTATIONS
13 EXPECTED FINANCIAL RESULTS
14 PERFORMANCE INDICATORS
16 SUMMARY TABLE

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

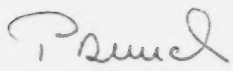
INNOVATION, KNOW-HOW AND ENTHUSIASM

It gives me great pleasure to present the 2010–2012 Strategic Plan of the Société des alcools du Québec. The result of an extensive consultation process involving managers, unionized employees and partners, this strategic plan is an accurate expression of the SAQ's defining characteristics: innovation, know-how and enthusiasm.

Because they are centred on customers and partnerships and will enable the SAQ to leverage its expertise, the orientations contained in our 2010–2012 plan are the logical extension of the actions we have taken in recent years. The progress accomplished and results obtained following the publication of the 2004–2009 Strategic Plan now enable us to set new objectives for going even further. While the efforts made in recent years have allowed the SAQ to turn in a solid financial performance, raise its productivity and increase both its market share and customer satisfaction, the coming years will be devoted to enriching the customer experience and setting new standards. In addition, the SAQ plans to stand out through its agility and ability to adapt quickly to new retailing requirements and to take advantage of opportunities that arise. The SAQ also intends to achieve these objectives while maintaining its sustainable development initiatives, commitment to responsible consumption and contributions to Quebec's various communities.

This plan comprises four main strategic orientations and 14 priority areas. Through it, all SAQ employees, including senior management, reaffirm their commitment to providing good service to the people in all of Quebec's regions by offering a wide range of quality alcoholic beverages.

Resolutely focused on the future, the SAQ intends to continue accompanying Quebecers on their fascinating and rewarding exploration of the world of wines and spirits. To accomplish this, it will offer a continuously renewed selection of products and welcome customers in attractive outlets where advisory service and support make a difference in the shopping experience and contribute to the satisfaction of an increasingly inquisitive and informed clientele.



Philippe Duval
Chief Executive Officer

THE SAQ: MISSION

The mandate of the Société des alcools du Québec is to sell alcoholic beverages. Its mission is to provide good service to Quebecers in every region of the province by offering a broad range of quality products.

The SAQ operates in a highly regulated industry. The main laws governing the alcoholic beverage trade are the:

Importation of Intoxicating Liquors Act (R.S., 1985, c. I-3), *Act respecting Liquor permits* (R.S.Q. c. P-9.1) and *Act respecting Offences relating to alcoholic beverages* (R.S.Q. c. I-8.1).

VISION

The SAQ's 2010 2012 Strategic Plan presents a new vision that will enable the company to leverage its expertise.

THE SAQ: A WORLD LEADER IN THE SELECTION AND SALE OF WINES AND SPIRITS.

To achieve this, the SAQ will rely on the innovativeness, know-how and enthusiasm of its employees.

VALUES

Six values guide the SAQ in managing its business. They form the basis of the company's culture and inform employees' decisions regarding customers, colleagues and partners.

ENTHUSIASM

The communicative enthusiasm that SAQ employees share for the world of wines and spirits, service and the advice provided to customers.

RESPECT

The recognition we show for others and their contributions.

RESPONSIBILITY

Fully assuming our role as business professionals, in particular by prudently managing public funds, committing to our sustainable development objectives and applying our sales ethic.

INTEGRITY

Working with a constant concern for transparency and honesty.

COOPERATION

Working as a team, pulling in the same direction, moving toward the same goal.

BALANCE

What we seek to achieve between our commercial responsibility and our social responsibility.

CONTEXT AND CHALLENGES

THE SOCIÉTÉ DES ALCOOLS DU QUÉBEC TODAY HAS A NETWORK OF 414 OUTLETS AND 398 AGENCIES ACROSS QUEBEC. IT EMPLOYS SOME 7,000 PERSONS AND DOES BUSINESS WITH 2,500 SUPPLIERS AROUND THE GLOBE. IN 2008–2009, IT RECORDED THE BEST RESULTS IN ITS HISTORY, WITH NET SALES OF $2.4 BILLION AND NET EARNINGS OF $806 MILLION.

Examining the context in which the SAQ operates reveals several challenges and issues that will affect its business in the coming years. Notable among them are:

- THE UNCERTAIN ECONOMY
- THE SIGNIFICANT CHANGES SEEN IN CUSTOMER BEHAVIOUR AND EXPECTATIONS
- THE RAPID PACE OF TECHNOLOGICAL CHANGE
- PRESSURE FROM THE BUSINESS ENVIRONMENT
- WORLDWIDE COMPETITION FOR PRODUCTS
- EMPLOYEE RETIREMENT
- THE PUBLIC'S GROWING EXPECTATION THAT BUSINESSES BE MORE SOCIALLY RESPONSIBLE
- THE POSSIBLE SLOWDOWN IN THE GROWTH OF ALCOHOLIC BEVERAGE SALES IN QUEBEC

THE UNCERTAIN ECONOMY

The economic troubles buffeting countries around the globe have also had an impact on the retail trade in Canada and Quebec. Job losses and uncertainty about the future are likely to continue shaking consumers' confidence in the economy, leading them to alter their shopping habits and focus more on saving. Even before the year is over, institutions are predicting that the Quebec retail sector will grow 2.0% in 2009, compared with 5.8% in 2008.[1] It is also difficult for experts and economists to accurately predict when the recovery will begin. As its strategic plan covers the fiscal years 2009–2010 to 2011–2012, the SAQ cannot ignore this economic reality and must exercise caution. In the past, economic downturns have often resulted in a slowdown at the SAQ. That was notably the case during the severe recessions of the 1980s and 1990s.

Determined to hold its own and further increase its share of the Quebec retail market, the SAQ will intensify its efforts to differentiate itself through the quality of the experience it delivers to customers. It will accomplish this by, among other things, relying on advisory service, continuously renewing its product offering and selling products at a wide range of price points.

THE SIGNIFICANT CHANGES SEEN IN CUSTOMERS' BEHAVIOUR AND EXPECTATIONS

In retailers' ongoing battle for a share of consumers' discretionary spending, a new factor must be taken into account: customers' higher expectations. In a phrase, consumers' behaviour and expectations are rapidly changing. Their demands are increasing as well as becoming more sophisticated. To attract and retain customers, retailers must be bolder and more creative and to provide outstanding service. This applies equally to the SAQ. Its monopoly status in no way lessens its need to differentiate itself.

For many years, the SAQ has enjoyed customer satisfaction ratings on the order of 95%. Determined to maintain this high level, the SAQ intends to ensure it is able, in the coming years, to reach out to new customer segments and meet their emerging expectations: a pronounced taste for exploration and discovery; personalized service; access to rare and exclusive products; access to Web-based services; and so on. To do this, the SAQ will launch relational marketing projects that spotlight the features of its products and services and allow for differentiated handling of the various client segments. This will also ensure that the SAQ is well positioned to take advantage of business opportunities favoured by the practice. In addition, the SAQ will continue its personnel training efforts and equip employees with tools designed to assist them in encouraging customers to take advantage of the opportunities for discovery made available to them.

1. The Conference Board of Canada, *Provincial Outlook Economic Forecast*, Spring 2009

THE RAPID PACE OF TECHNOLOGICAL CHANGE

New technology has made its presence felt in retailing. Among other things, retailers can now create and maintain new external communication channels as well as tools for collaborating within the organization.

The growth in online shopping and increased access to commercial sites have transformed the art of doing business and communicating with customers in recent years. Technological change has reached the retailing industry, which finds itself forced to adapt to the trend that has so quickly seduced their various customer segments. Today's consumers increasingly control what they watch, and they are hungry for information-rich content. For many, the Internet has become the reference tool of choice, a tool that abounds in possibilities: ads, news, information, promotions, virtual stores and online services. But the Internet also eliminates borders and the distance between markets even as it facilitates comparison and opens the door to scepticism and doubt. Like every other retailer, the SAQ is being called on to change how it does business in order to connect with Web-savvy customers.

Technological change also creates an opportunity that retailers like the SAQ can take advantage of in the day-to-day management of their operations. Besides appealing to the young generation of employees, new tools integrating the participatory and collaborative Web facilitate exchange between divisions and offer potential productivity gains.

In its communications with outside audiences as well as in its activities inside the organization, the SAQ intends to seize the opportunities arising from these developments. Accordingly, it will devote energy to implementing Web strategies and Web-based tools. The intranet and the www.saq.com website will be updated to incorporate new-generation architectures.

PRESSURE FROM THE BUSINESS ENVIRONMENT

The business environment in which the SAQ operates is also changing at breakneck speed. Everything is in flux. The SAQ imports products from more than 60 countries; maintains relations with more than 2,500 suppliers; deals with the evolving global winemaking scene; lists more then 11,000 products, including more than 1,000 new items each year; and completes some 50 million transactions annually. The organizational pressures on logistical processes, product procurement, sales practices and the social environment are increasing. Such rapid change requires players to be extremely agile and flexible. The best performing companies are those that evolve in harmony with their business environment and, often, that succeed in staying ahead of trends, in initiating change. The SAQ is determined to be part of this wave.

Over the last few years, the SAQ has significantly updated its organizational philosophy and reviewed its processes. Change management is now geared to performance and partnership. Productivity gains have been achieved and a close collaborative relationship proposed to partners in the alcoholic beverage industry and the unions, these latter organizations playing a key role in the company's growth.

In the coming years, aware that the environmental pressures inside and outside the company will not decrease, the SAQ will continue to focus on streamlining its operational processes, improving its benchmarking activities, increasing its flexibility and developing its partnership approach.

WORLDWIDE COMPETITION FOR PRODUCTS

It appears that Quebecers are not alone in their taste for discovery and access to rare and prestigious wines. Interest in the finest wines, renowned estates and "hot" producers is worldwide. A major buyer if ever there were one, the SAQ is facing unprecedented competition on the world stage, especially from buyers in emerging countries. The pressures in the supply chain are many, and swift execution and flexible business relationships are the order of the day.

The SAQ intends to maintain and increase its purchasing power and fruitful, trusting relationships with the most sought-after producers. Present worldwide and increasingly solicited for its expertise, the SAQ will remain alert to opportunities and continue its work on the ground with longstanding and new-wave producers alike.

EMPLOYEE RETIREMENT

Not all the challenges and issues facing the SAQ in the coming years will originate outside the company. One major challenge will arise internally when a significant number of SAQ employees retire. Specifically, nearly a third of the government corporation's workforce will be eligible for retirement in the next five years. Related to demographics, this major shift will not be a problem, provided a smooth transition is planned. It is therefore essential for the SAQ to attract new talent and provide a stimulating work environment. This will be all the more important as a large number of employers will be searching for these rare gems at the same time.

As an employer, the SAQ will rely on the efficient transfer of knowledge and the enterprising management of replacement personnel while ensuring that the younger generation of employees is equipped with state-of-the-art work tools.

THE PUBLIC'S GROWING EXPECTATION THAT BUSINESSES BE MORE SOCIALLY RESPONSIBLE

Corporate social responsibility rises from the relationships that companies maintain with all their stakeholders: employees, customers, suppliers, shareholders and the community. Only a few decades old, the concept has gained considerable currency among citizens and consumers, many of whom now take an active interest in the social and environmental records of the companies that provide them with products and services. No longer is it enough for businesses to optimize their financial performance, they are also expected to adopt diverse objectives and act as good citizens. The pressure on organizations and companies is accordingly greater.

The SAQ has successfully integrated sustainable development principles into its operations. Deeply involved in glass recovery for more than two decades, the SAQ had no hesitations about taking the next step. In 2008, it became one of the first public organizations to publish a sustainable development action plan. At the beginning of 2009, it made a powerful statement by eliminating single-use bags from its outlets. Through its donation and sponsorship policy, the SAQ is involved with communities across Quebec. Lastly, the government corporation actively promotes responsible drinking by enforcing its sales ethic and taking part in the Éduc'alcool program.

In coming years, the SAQ will finish implementing its sustainable development action plan, support the activities of Quebec's many communities and maintain its high ethical standards in the area of sales.

THE POSSIBLE SLOWDOWN IN THE GROWTH OF ALCOHOLIC BEVERAGE SALES IN QUEBEC

According to the latest statistics, the average Quebecer consumes some 20 litres of wine a year,[1] a 7.5% increase from 2006, the year of the preceding survey. In terms of absolute alcohol, Quebecers consume 8.2 litres per person per year. In short, Quebecers' consumption of alcohol is well within the Canadian average and well below that observed in several other countries. Consequently, it remains possible to increase alcohol sales in Quebec without giving rise to the various social problems related to abusive consumption.

However, these statistics should not be divorced from demographic data. Quebec's population is aging and alcohol consumption by the SAQ's customer base is expected to decline gradually in the coming years. According to the Institut de la statistique du Québec, persons age 65 and over will account for 24.4% of the population in 2026.[2] As the succeeding generations are less populous, these consumers will not be fully replaced. In short, the statistics point to a possible slowdown in the growth of alcoholic sales in Quebec, at least for the next decade.

To properly plan its medium- and long-term activities and continue paying larger dividends, the SAQ will carefully study additional potential revenue streams in various markets. Of course, exploring these new opportunities must never detract from the SAQ's raison d'être: the Quebec market.

1. Statistics Canada, CANSIM Table 183-0006, *The Control and Sale of Alcoholic Beverages in Canada*

2. Institut de la statistique du Québec, *Perspectives démographiques Québec et régions, 2001–2051*, 2003 edition

STRATEGIC ORIENTATIONS

1 FURTHER DIFFERENTIATE THE CUSTOMER EXPERIENCE

THE SAQ INTENDS TO STAND APART FROM OTHER RETAILERS THROUGH THE QUALITY OF ITS PRODUCT PORTFOLIO, THE QUALITY OF THE SHOPPING EXPERIENCE IT OFFERS AND THE VISUAL QUALITY OF ITS OUTLET NETWORK—ALL IMPORTANT ASPECTS IN CUSTOMERS' EYES.

PRIORITY AREA

MORE TARGETED SERVICE STANDARDS

Well acquainted with its customer base, the SAQ will develop services and initiatives that target the various segments making it up.

OBJECTIVES

- Optimize the strategic product offering through category management.
- Become a discovery facilitator in outlets and develop the sales culture.

PRIORITY AREA

A WEBSITE THAT SUPPORTS IN-STORE SHOPPING

Already offering a website dedicated to wine and spirits sales that is among the most appreciated and visited in the world, the SAQ intends to expand online access to content and services.

OBJECTIVES

- Offer additional value-added services online.

PRIORITY AREA

IMPLEMENTING A RELATIONAL MARKETING PLAN

The SAQ intends to respond to its various customer segments in search of differentiated services. To do so, it will develop relational marketing projects.

OBJECTIVES

- Develop interactive and personalized connections with an increasing number of customers.

2 MAKE THE ORGANIZATION MORE AGILE IN ORDER TO REACH THE HIGHEST STANDARDS

SEEKING TO EVOLVE IN HARMONY WITH—AND HAVE AN INFLUENCE ON—ITS BUSINESS ENVIRONMENT, THE SAQ WILL CONTINUE ITS EFFORTS TO IMPROVE ITS PRODUCTIVITY, FLEXIBILITY AND AGILITY.

PRIORITY AREA

IMPROVING THE RATIO OF OPERATING EXPENSES TO NET SALES

The SAQ will continue gradually increasing its productivity while providing superior service to its customers.

OBJECTIVES

- Optimize business processes after benchmarking against other companies.
- Group together all permit holder (restaurateur) and private import activities.
- Streamline administrative processes that have an impact on operations.
- Optimize the allocation of human resources in the outlets.
- Establish a management culture more strongly focused on disciplined financial performance.

PRIORITY AREA

SIMPLIFYING THE PROCUREMENT PROCESS

To offer a renewed line of specialty products, the SAQ will implement processes for managing diversity and small volumes.

OBJECTIVES

- Make the purchasing and negotiation processes more flexible.

PRIORITY AREA

TALENT AND SUCCESSION MANAGEMENT PRACTICES IN A MOTIVATING WORK ENVIRONMENT

To ensure it has an effective succession strategy for dealing with the approaching wave of retirements, the SAQ will implement practices designed to attract and retain new talent.

OBJECTIVES

- Improve work attendance.
- Strengthen the personnel performance management culture.
- Implement the succession process at other levels of management.
- Implement practices that favour attracting and retaining employees.
- Implement practices that favour workforce planning and the transfer of knowledge.
- Optimize the intranet as a tool for communication and collaboration.

2

PRIORITY AREA

PARTNERSHIP WITH THE UNIONS

Pleased to be able to count on its employees' commitment, the SAQ will maintain its approach based on cooperation and structured bargaining.

OBJECTIVES

› Maintain the current structured partnership approach.

PRIORITY AREA

PARTNERSHIP WITH SUPPLIERS AND AGENTS

Having created a climate of mutual trust with players in the alcoholic beverage industry in recent years, the SAQ intends to continue its discussions and become more agile and accessible.

Also, as allowed by commercial agreements, the SAQ will continue its efforts to market Quebec-made artisanal alcoholic beverages.

OBJECTIVES

› Work with partners to streamline business processes.

PRIORITY AREA

AN INTEGRATED STRUCTURE FOR MANAGING THE COMPANY'S PERFORMANCE

To better manage its efforts to continuously improve its processes, the SAQ will systematically integrate performance indicators into its management.

OBJECTIVES

› Implement integrated dashboards.

3 CONFIRM THE SAQ'S REPUTATION AS A SOCIALLY RESPONSIBLE COMPANY

HAVING INTEGRATED SUSTAINABLE DEVELOPMENT PRINCIPLES INTO ALL ITS OPERATIONS, THE SAQ WILL STEP UP ITS ACTIVITIES RELATING TO ENVIRONMENTAL PROTECTION, COMMUNITY DEVELOPMENT AND THE PROMOTION OF RESPONSIBLE CONSUMPTION.

PRIORITY AREA

THE ENVIRONMENTAL IMPACT OF OPERATIONS

The SAQ's concern for protecting the environment is longstanding. Deeply involved in glass recovery, the SAQ will develop other initiatives to help maintain the planet's health.

OBJECTIVES

- Increase energy efficiency and energy savings in all operations.
- Stimulate innovation and the development of organic beverages and eco-practical containers.
- Promote environmentally responsible behaviour to all stakeholders.

PRIORITY AREA

A SOCIO-ECONOMIC PARTNERSHIP WITH QUEBEC'S COMMUNITIES

To embody the best practices, the SAQ will increase its participation in the activities of Quebec's various communities.

OBJECTIVES

- Increase the company's allocation for donations and sponsorships.

PRIORITY AREA

THE SALES ETHIC AND THE PROMOTION OF RESPONSIBLE CONSUMPTION

Seeking to reiterate its commitment in this area, the SAQ will continue raising awareness among its employees and the public while maintaining its involvement with Éduc'alcool.

OBJECTIVES

- Intensify efforts to achieve the highest standards in applying the sales ethic in outlets.
- Continue our actions to inform the various publics and company personnel about responsible consumption.

4 DEVELOP NEW GROWTH PATHS WITHIN THE ALCOHOLIC BEVERAGE INDUSTRY

RECOGNIZED FOR ITS EXPERTISE IN SPECIFIC NICHES BY PLAYERS, COMPANIES AND STAKEHOLDERS IN OTHER MARKETS, THE SAQ WILL EXAMINE THE POSSIBILITY OF INVESTING IN NEW MARKETS BY OFFERING ACCESS TO ITS KNOW-HOW AND RESOURCES.

PRIORITY AREA

DEPLOYING CURRENT PRODUCTS AND SERVICES IN NEW MARKETS

Already in demand, the SAQ will be open to leveraging its advanced know-how to generate additional revenue.

OBJECTIVES

- Explore, analyze and implement projects that leverage the company's main skills to generate short-term revenue.

PRIORITY AREA

NEW NICHES IN NEW MARKETS

With a view to the long term, the SAQ will examine business paths likely to generate long-term revenue, while ensuring that Quebec remains the focus of its operations.

OBJECTIVES

- Explore and analyze means of generating additional revenue.

EXPECTED FINANCIAL RESULTS

PROJECTIONS: 2009-2010 TO 2011-2012

(in millions of dollars)

	2009-2010	Variation	2010-2011	Variation	2011-2012	Variation
Gross sales	3,064	1.0%	3,199	4.4%	3,359	5.0%
Net sales	2,450	1.3%	2,559	4.4%	2,689	5.1%
Gross earnings	1,292	1.3%	1,352	4.6%	1,418	4.9%
Operating expenses	479	2.1%	498	3.9%	515	3.6%
Net earnings	813	0.8%	854	5.0%	902	5.7%
Capital expenditures as forecast in the Strategic Plan	7.2		7.4		7.8	
Estimated total capital expenditures	58.8		52.4		52.8	
Ratios						
Gross margin	52.7%		52.8%		52.7%	
Operating expenses to net sales	19.5%		19.4%		19.2%	
Net earnings to net sales	33.2%		33.4%		33.5%	
Human resources to net sales	13.5%		13.3%		13.2%	

PERFORMANCE INDICATORS

STRATEGIC ORIENTATIONS	PRIORITY AREA
COMPANY PERFORMANCE	
01 FURTHER DIFFERENTIATE THE CUSTOMER EXPERIENCE	1.1 More targeted service standards
	1.2 A website that supports in-store shopping
	1.3 Implementing a relational marketing plan
02 MAKE THE ORGANIZATION MORE AGILE IN ORDER TO REACH THE HIGHEST STANDARDS	2.1 Improving the ratio of operating expenses to net sales
	2.2 Simplifying the procurement process
	2.3 Talent and succession management practices in a motivating work environment
	2.4 Partnership with the unions
	2.5 Partnership with suppliers and agents
	2.6 An integrated structure for managing the company's performance
03 CONFIRM THE SAQ'S REPUTATION AS A SOCIALLY RESPONSIBLE COMPANY	3.1 The environmental impact of operations
	3.2 A socio-economic partnership with Quebec's communities
	3.3 The sales ethic and the promotion of responsible consumption
04 DEVELOP NEW GROWTH PATHS WITHIN THE ALCOHOLIC BEVERAGE INDUSTRY	4.1 Deploying current products and services in new markets
	4.2 New niches in new markets

PERFORMANCE INDICATORS	1-YEAR TARGET	3-YEAR TARGET
Budgeted gross sales (in millions of dollars)	$3,064.0	$3,358.9
Net earnings as a percentage of net sales	33.2%	33.5%
Product catalogue renewal rate	10.0%	10.0%
Average satisfaction rate (Enthusiast, Connoisseur and Discoverer segments)	≥ 95%	≥ 95%
Average satisfaction rate (Social Drinker, Regular, Young Trendsetter and Occasional Drinker segments)	≥ 95%	≥ 95%
Percentage of customers who agree that SAQ.com contributed to their in-store shopping experience	N/A	N/A
Number of active customers potentially targetable by relational marketing	150,000	300,000
Ratio of operating expenses to net sales	19.5%	19.2%
Average procurement lead time for batch-ordered specialty products	N/A	N/A
CSST contribution rate	$2.15 $	$1.63
Work attendance rate	N/A	N/A
Number of hours of training in the sales network	65,000	78,000
Organizational mobilization index (OMI)	N/A	N/A
None	N/A	N/A
Percentage of suppliers and agents satisfied with their business relationship with the SAQ	73.0%	78.0%
None	N/A	N/A
Energy efficiency in SAQ-owned buildings (GJ/m³)	1.0186	0.9783
Energy efficiency of the SAQ-owned truck fleet (litres/100 km)	42 L / 100 km	42 L / 100 km
Investment in donations and sponsorships as a percentage of net earnings	0.8%	0.9%
"Mystery customer" success rate	100%	100%
Additional income	N/A	N/A
None	N/A	N/A

SUMMARY TABLE

MISSION

The mandate of the Société des alcools du Québec is to sell alcoholic beverages. Its mission is to provide good service to Quebecers in every region of the province by offering a broad range of quality products.

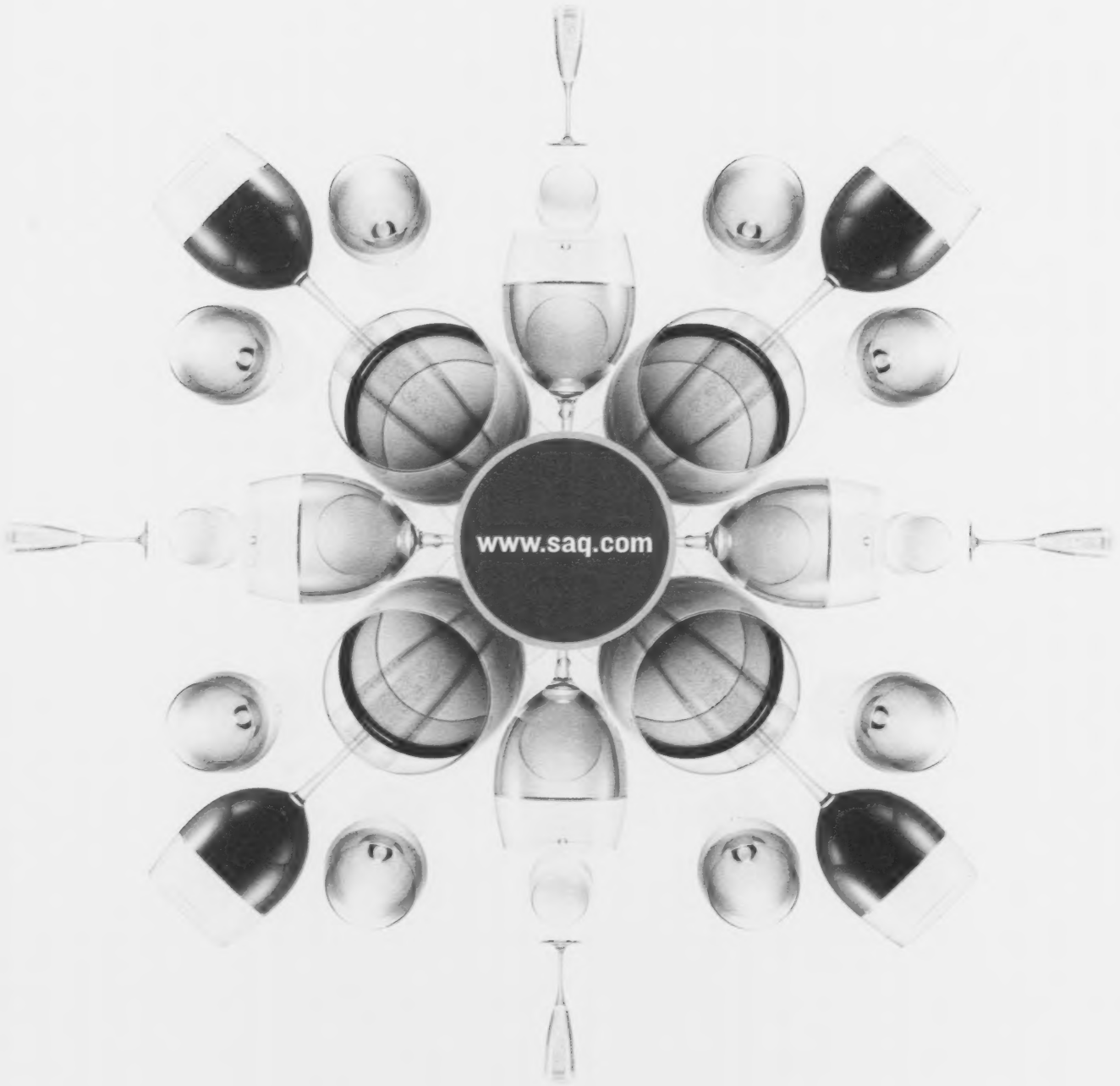
STRATEGIC ORIENTATIONS	PRIORITY AREA
COMPANY PERFORMANCE	
01 FURTHER DIFFERENTIATE THE CUSTOMER EXPERIENCE	1.1 More targeted service standards
	1.2 A website that supports in-store shopping
	1.3 Implementing a relational marketing plan
02 MAKE THE ORGANIZATION MORE AGILE IN ORDER TO REACH THE HIGHEST STANDARD	2.1 Improving the ratio of operating expenses to net sales
	2.2 Simplifying the procurement process
	2.3 Talent and succession management practices in a motivating work environment
	2.4 Partnership with the unions
	2.5 Partnership with suppliers and agents
	2.6 An integrated structure for managing the company's performance
03 CONFIRM THE SAQ'S REPUTATION AS A SOCIALLY RESPONSIBLE COMPANY	3.1 The environmental impact of operations
	3.2 A socio-economic partnership with Quebec's communities
	3.3 The sales ethic and the promotion of responsible consumption
04 DEVELOP NEW GROWTH PATHS WITHIN THE ALCOHOLIC BEVERAGE INDUSTRY	4.1 Deploying current products and services in new markets
	4.2 New niches in new markets

VISION

The SAQ's 2010–2012 Strategic Plan presents a new vision that will enable the company to leverage its expertise.
The SAQ: a world leader in selecting and selling wines and spirits
To achieve this, the SAQ will rely on the innovativeness, know-how and enthusiasm of its employees.

OBJECTIVES	PERFORMANCE INDICATORS	1-YEAR TARGET	3-YEAR TARGET
	Budgeted gross sales (in millions of dollars)	$3,064.0	$3,358.9
	Net earnings as a percentage of sales	33.2%	33.5%
• Optimize the strategic product offering through category management	Product catalogue renewal rate	10.0%	10.0%
• Become a discovery facilitator in outlets and develop the sales culture	Average satisfaction rate (Enthusiast, Connoisseur and Discoverer segments)	≥ 95%	≥ 95%
	Average satisfaction rate (Social Drinker, Regular, Young Trendsetter and Occasional Drinker segments)	≥ 95%	≥ 95 %
• Offer additional value-added services online	Percentage of customers who agree that SAQ.com contributed to their in-store shopping experience	N/A	N/A
• Develop interactive and personalized connections with an increasing number of customers	Number of active customers potentially targetable by relational marketing	150,000	300,000
• Optimize business processes after benchmarking against other companies • Group together all permit holder (restaurateur) and private import activities • Streamline administrative processes that have an impact on operations • Optimize the allocation of human resources in the outlets • Establish a management culture more strongly focused on disciplined financial performance	Ratio of operating expenses to net sales	19.5%	19.2%
• Make the purchasing and negotiation processes more flexible	Average procurement lead time for batch-ordered specialty products	N/A	N/A
• Improve work attendance	CSST contribution rate	$2.15	$1.65
• Strengthen the personnel performance management culture	Work attendance rate	N/A	N/A
• Implement the succession process at other levels of management	Number of hours of training in the sales network	65,000	78,000
• Implement practices that favour attracting and retaining employees • Implement practices that favour workforce planning and the transfer of knowledge • Optimize the intranet as a tool for communication and collaboration	Organizational mobilization index (OMI)	N/A	N/A
• Maintain the current structured partnership approach	None	N/A	N/A
• Work with partners to streamline business processes	Percentage of suppliers and agents satisfied with their business relationship with the SAQ	73.0%	78.0%
• Implement integrated dashboards	None	N/A	N/A
• Increase energy efficiency and savings in all operations	Energy efficiency in SAQ-owned buildings (GJ/m²)	1.0186	0.9783
• Stimulate innovation and the development of organic beverages and eco-practical containers • Promote environmentally responsible behaviours to all stakeholders	EEnergy efficiency of the SAQ-owned truck fleet (litres/100 km)	42 L / 100 km	42 L / 100 km
• Increase the company's allocation for donations and sponsorships	Investment in donations and sponsorships as a percentage of net earnings	0.8%	0.9%
• Intensify efforts to achieve the highest standards in applying the sales ethic in outlets • Continue our actions to inform the various publics and company personnel about responsible consumption	"Mystery customer" success rate	100%	100%
• Explore, analyze and implement projects that leverage the company's main skills to generate short-term revenue	Additional income	N/A	N/A
• Explore and analyze means of generating additional revenue	None	N/A	N/A

SAQ



ISBN 978-2-550-57792-8